UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;

Nora Mead Brownell, Joseph T. Kelliher,

and Suedeen G. Kelly.

CenterPoint Energy Gas Transmission Company

Docket No. RP04-381-000

ORDER ACCEPTING TARIFF SHEETS SUBJECT TO CONDITION

(Issued July 29, 2004)

1. On July 1, 2004, CenterPoint Energy Gas Transmission Company (CEGT) submitted four tariff sheets¹ to the Commission for acceptance. CEGT asserts that new and revised provisions in the tariff sheets will afford additional flexibility and greater reliability of service for customers using CEGT's No-Notice Transportation Service Rate Schedule (NNTS). The Commission will accept the proposed tariff sheets to be effective August 1, 2004 as proposed, subject to condition. This order benefits the public interest by providing greater flexibility and reliability to customers on the CEGT system.

Details of the Filing

2. In its filing, CEGT states that the proposed changes to its FERC Gas Tariff, Sixth Revised Volume No. 1 will: (1) reduce the amount of incremental flowing gas supplies at designated physical receipt points that CEGT can require a Shipper to bring to the system at CEGT's demand, (2) increase the notice CEGT must give to trigger such obligation from four to twenty four hours, (3) restrict CEGT from installing automatic flow control devices at certain NNTS delivery points without customer consent, and (4) allow customers to negotiate for a provision in their service agreements regarding alternative arrangements to mitigate impacts on customers at any delivery point due to CEGT's planned outage disruptions.

¹ First Revised Sheet No. 127, First Revised Sheet No. 128, First Revised Sheet No. 129, and First Revised Sheet No. 558 to CenterPoint Energy Gas Transmission Co. FERC Gas Tariff, Sixth Revised Volume No. 1.

Notice, Interventions and Protests

3. The filing was noticed, with comments, protests or interventions due on or before July 13, 2004 as provided in section 154.210 of the Commission's regulations. Pursuant to rule 214 (18 C.F.R. § 385.214 (2003)), all timely motions to intervene are granted and any motions to intervene out-of-time filed before the issuance of this order are granted. Granting late intervention at this stage of the proceedings will not disrupt the proceedings or place additional burdens on existing parties. No protests were filed.

Discussion

- 5. CEGT's proposed revisions to its NNTS Rate Schedule will provide its customers with greater flexibility and reliability of service. Therefore, the Commission will approve the proposed revised tariff sheets effective August 1, 2004, as requested.
- 6. However, the Commission is concerned that there is certain language in the proposed section 2.9 which was not explained by CEGT in its filing. CEGT states in its transmittal letter that new provisions in section 2.9 would restrict CEGT's ability to install flow control devices at certain delivery points without the consent of the affected NNTS Shipper. However, section 2.9 also contains language which appears to prohibit CEGT from providing service to delivery points without load flow control devices if the market behind the delivery point is connected to multiple transporters. Further, section 2.9 states that CEGT will not install flow control devices at any such delivery point.
- 7. CEGT did not provide justification in its filing for language in section 2.9 restricting NNTS service at delivery points without load flow control devices if the market behind the delivery point is served by multiple transporters. Hence, the Commission directs CEGT to, within 20 days of the date of this order, provide an acceptable justification for limiting the availability of NNTS service as specified or clarify section 2.9 to state only that CEGT may not install flow control devices at certain delivery points without the consent of the affected NNTS Shipper.

The Commission orders:

The tariff sheets filed in Docket No. RP04-381-000 are accepted, to be effective August 1, 2004, subject to condition as discussed above.

By the Commission.

(SEAL)

Linda Mitry, Acting Secretary.